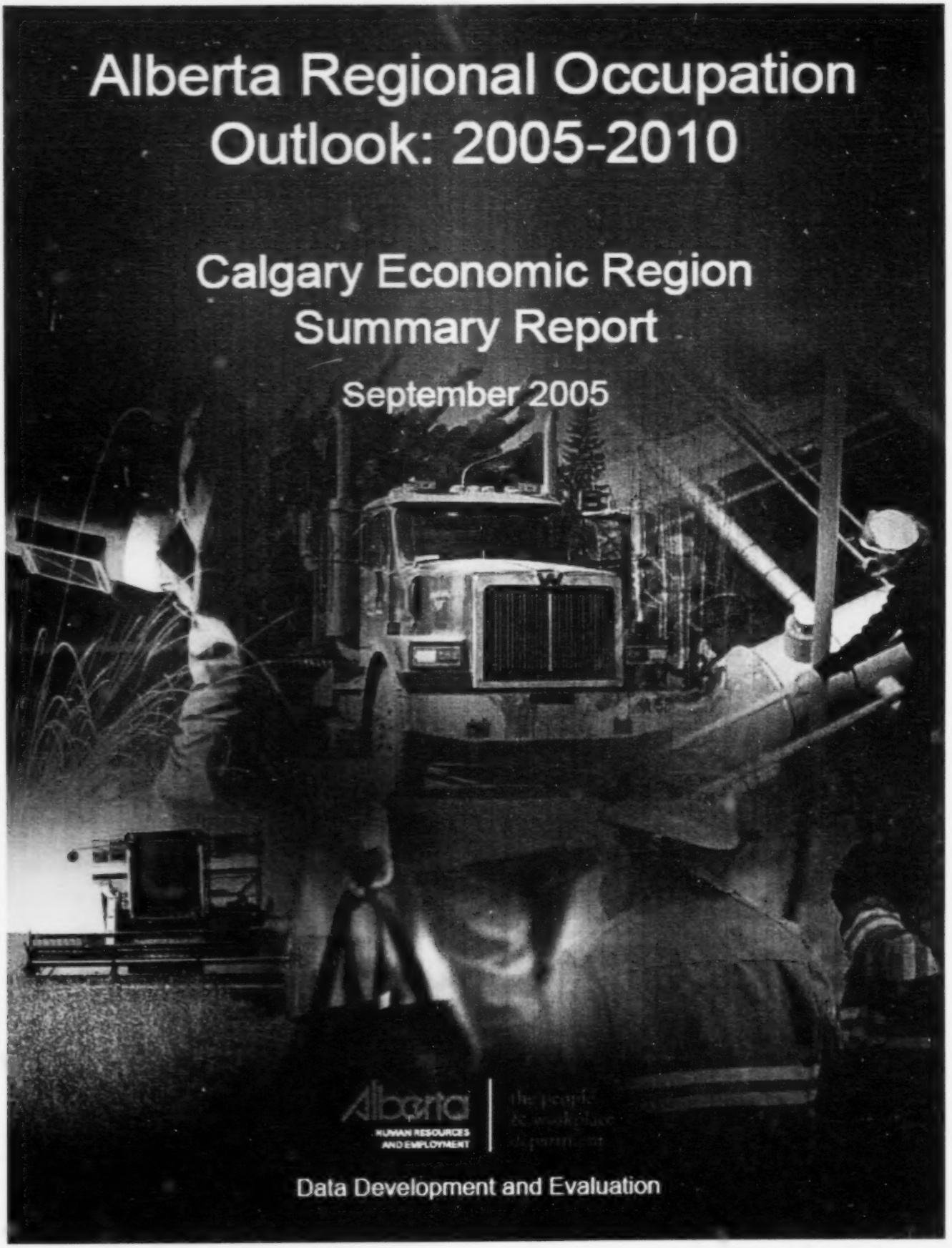
Alberta Regional Occupation Outlook: 2005-2010

Calgary Economic Region Summary Report

September 2005



Alberta
HUMAN RESOURCES AND EMPLOYMENT

Data Development and Evaluation

106-00110/

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Alberta Human Resources and Employment (AHRE) has continued to develop a regional occupation model that produces employment projections for 140 different occupations across Alberta and for the eight economic regions. This forecast is a useful tool for the Government of Alberta to help address related policy issues and to aid in developing responsive strategies.

The forecast summarizes expected employment by industry, occupation, and economic region. Industries are classified using the North American Industry Classification System (NAICS). Occupations are classified by the National Occupational Classification (NOC) system. For more information regarding these classification systems please visit the websites listed below.

This document provides a broad overview of the results of the forecast for the Calgary Economic Region. A complete listing of the employment projections is available for all eight economic regions (47 occupations) and for Alberta (140 occupations) on the AHRE website listed below.

- **NAICS** - http://www.statcan.ca/english/Subjects/Standard/naics/2002/naics02-index.htm
- **NOC** - http://www23.hrdc-drhc.gc.ca/2001/e/generic/welcome.shtml
- **AHRE Employment Projections** - http://www3.gov.ab.ca/hre/lmi/occforecast.asp

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GDP is expected to grow by 3.4% annually

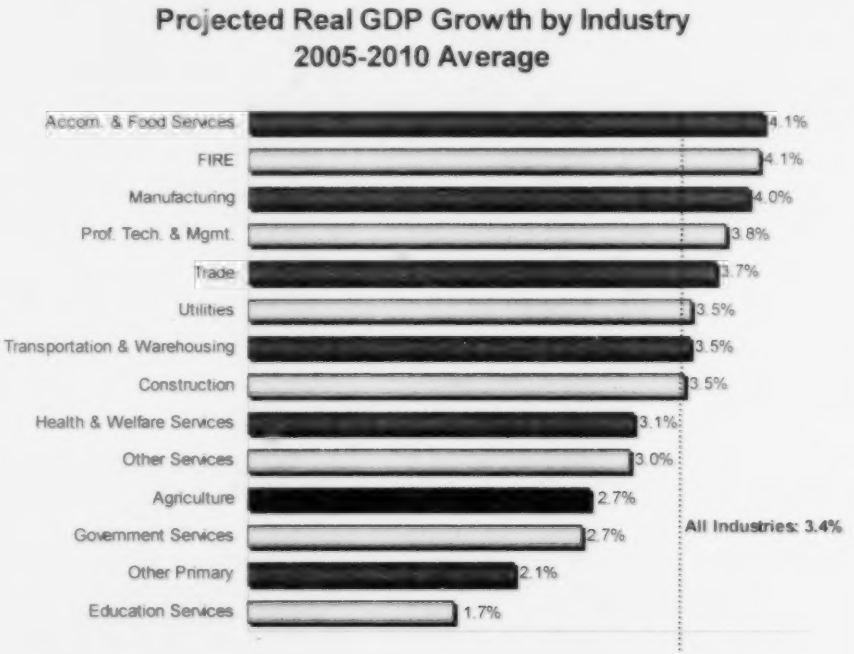
From 1994-2004, Alberta's economy was one of the fastest growing provincial economies in Canada. Gross Domestic Product (GDP) output in the province grew by an annual average of 3.8%. Employment in the province grew by more than 470,200 jobs over the past ten years. Over the forecast period of 2005-2010, GDP growth in Alberta is expected to average 3.3% annually. This is slightly higher than the expected average annual GDP growth of 3.2% for Canada.

The Calgary Economic Region currently contributes the largest share of Alberta's GDP among the eight economic regions. Over the forecast period, GDP output in this region is expected to grow by 3.4% annually.

The Accommodation and Food Service and the Finance, Insurance and Real Estate industries will show strong GDP growth

The Accommodation and Food Service and the Finance, Insurance and Real Estate industries will show the highest average GDP growth of any industry, averaging 4.1% annually. The growth in these industries is due mainly to the booming construction industry. Strong GDP growth is also expected in several other industries. Chart 1 shows the average GDP growth for all industries over the forecast period.

Chart 1

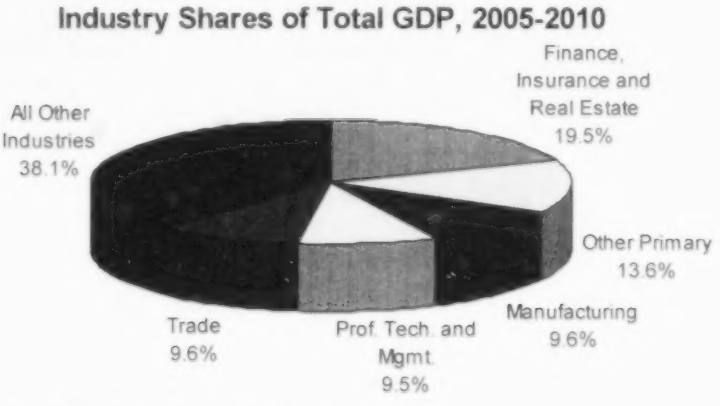


Source: Alberta Regional Occupation Outlook: 2005-2010

Two industries will account for an average of 33.2% of total GDP

In the Calgary Economic Region, two industries will account for nearly one third of total GDP output over the forecast period. The Finance, Insurance and Real Estate industry will contribute an average of 19.5% and the Other Primary industry (Oil, Gas, Mining, and Forestry) will contribute 13.6%. Nearly two thirds of the region's GDP comes from five industries (see Chart 2). Together, the Finance, Insurance and Real Estate industry, the Other Primary industry; the Manufacturing industry; the Professional, Technical and Management industry; and the Trade industry account for 61.9% of the region's total GDP.

Chart 2


Industry Shares of Total GDP, 2005-2010
Finance, Insurance and Real Estate 19.5%
All Other Industries 38.1%
Other Primary 13.6%
Manufacturing 9.6%
Prof. Tech. and Mgmt. 9.5%
Trade 9.6%

Source: Alberta Regional Occupation Outlook: 2005-2010

Major investment projects in the region are valued at over $6.5 Billion

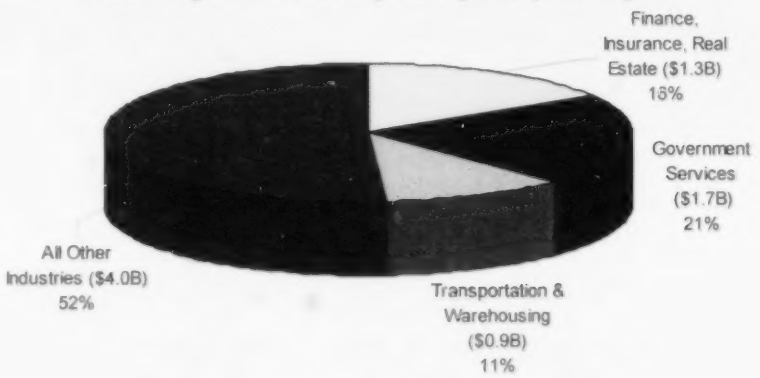
One of the most important factors to consider when estimating the future growth of a regional economy is the spending on major projects. The development of these projects creates jobs during planning, construction and upon completion. The list includes projects that are proposed, under construction or recently completed in the Calgary Economic Region. Only projects with a value of at least $2 Million are included. These projects have a significant effect on employment in the Construction industry and also create employment in many other industries such as Trade and Other Primary.

Government Service related projects will account for nearly one quarter of all major project spending

Government Service related projects such as new schools and road improvements will account for approximately 21% of all major project spending in the Calgary Economic Region (see Chart 3). The region's largest project is the ongoing expansion of the Calgary International Airport. This project began in 1998 and is scheduled for completion in 2008 at a total cost of $800 Million. Projects related to the Finance, Insurance and Real Estate industry will account for over $1.3 Billion in major project spending and Transportation and Warehousing $0.9 Billion.

Chart 3

Industry Shares of Major Project Spending


Finance, Insurance, Real Estate ($1.3B) 15%
Government Services ($1.7B) 21%
Transportation & Warehousing ($0.9B) 11%
All Other Industries ($4.0B) 52%

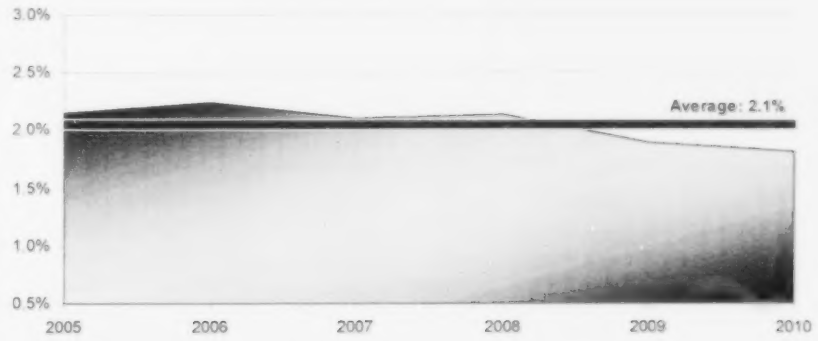
Source: Alberta Regional Occupation Outlook: 2005-2010

Employment growth is expected to average 2.2% annually

Over the forecast period of 2005-2010, employment in the Calgary Economic Region is expected to climb from 643,400 in 2004 to 733,700 in 2010. This represents an average growth rate of 2.2% annually and the creation of over 90,000 new jobs. The region's unemployment rate is expected to remain stable and will average 4.8% over the forecast period. As shown in Chart 4, the region's employment growth rate remain relatively stable over the forecast period. The City of Calgary is emerging as a leading business centre and is home to the large majority of Canada's Oil and Gas companies. If commodity prices remain high as expected, growth in the Calgary Economic Region will continue at a strong pace.

Chart 4

Average Annual Employment Growth (%), 2005-2010



Source: Alberta Regional Occupation Outlook: 2005-2010

Over 90,000 new jobs will be created in the Calgary Economic Region

The Calgary Economic Region will generate over 90,000 new jobs over the forecast period of 2005-2010, the most of any economic region. Employment will continue to be based largely on the service related industries, which account for over 74% of total employment. The region will account for approximately 38% of all new jobs in Alberta.

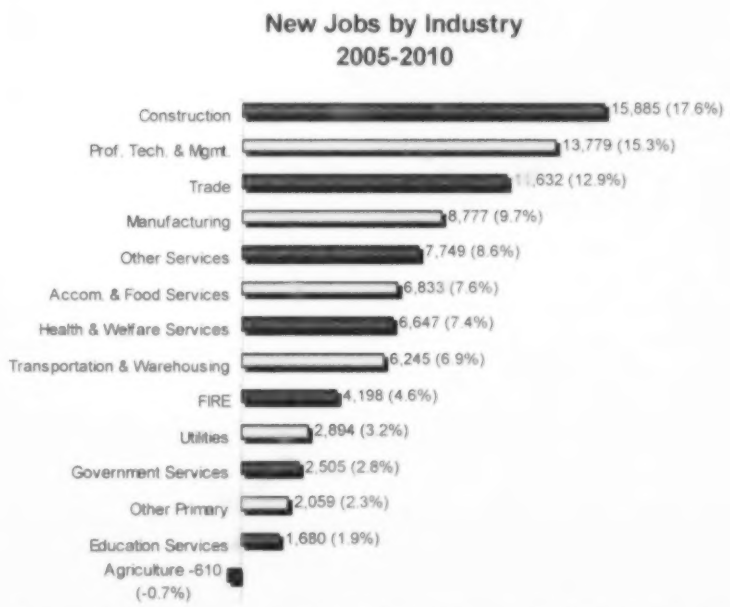
The Construction industry will provide more new jobs than any other industry

The employment outlook is broken out into fourteen different industries. The Construction industry is expected to generate over 15,800 new jobs over the forecast period, the most for any single industry (see Chart 5). Other industries generating a large number of new jobs include: Professional, Technical and Management (+13,779), and Trade (Retail and Wholesale (+11,632). The City of Calgary is quickly becoming a large metropolitan centre. This trend and the booming housing market is supported by the strong growth in these industries.

The Utilities Industry has the largest employment growth rate at 12.8%

Although several different industries are expected to show strong employment growth rates, Utilities is expected to grow at a rapid 12.8%. Other industries with high growth include Construction (+4.2%) and Manufacturing (+2.5%).

Chart 5



Source: Alberta Regional Occupation Outlook: 2005-2010 *Share of total newjobs in brackets (%)

The Clerical occupation is expected to create more new jobs than any other occupation

At the 140 occupational level, the Clerical occupations, General Office Skills is expected to create over 2,900 new jobs from 2005 to 2010. This classification includes general office clerks, desktop publishing operators and related occupations, and telephone operators. An ageing and more educated workforce in this occupation creates the high number of new jobs. Other occupations expected to generate a significant number of new jobs include: Retail Salesperson and Sales Clerk (+2,845), and Auditors, Accountants and Investment Professionals (+2,776). Many of the region's new jobs will be office based or service related. Please see Table 1 below.

Leglislators and Senior Management occupations are expected to have the highest average annual growth rate

Legislators and Senior Management occupations are expected to have an average growth rate of 7.0% annually, the highest of any of the 140 occupations. High population growth along with an ageing workforce are factors fuelling the high growth. Other occupations with high average growth rates include: Trades Helpers and Labourers (+6.6%), Other Transport Equipment Operators (+6.5%), and Machine Operators in Chemicals/Plastic/Rubber(+5.3%).

Table 1

New Jobs by Occupation, 2005-2010

NOC Occupations	New Jobs	Share of Total
Clerical occupations, general office skills	2,950	4.1%
Retail salesperson and sales clerk	2,854	4.0%
Auditors, accountants and investment professionals	2,776	3.9%
Secondary/elementary teachers and educational counsellors	2,635	3.7%
Administrative and regulatory occupations	2,253	3.2%
Computer and information systems professionals	2,065	2.9%
Cleaners	1,934	2.7%
Finance and insurance clerks	1,924	2.7%
Electrical trades and telecommunications occupations	1,921	2.7%
Occupations in food and beverage service	1,805	2.5%

Source: Alberta Regional Occupation Outlook: 2005-2010